



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
Governor

Ted Stewart  
Executive Director

Lowell P. Braxton  
Division Director

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
801-538-5340  
801-359-3940 (Fax)  
801-538-7223 (TDD)

March 23, 1998

Doug Nielsen  
Duchesne County Road Dept.  
P.O. Box 356  
Duchesne, Utah 84021

Re: Posting of Interim Reclamation Surety, Duchesne County, Duchesne County Asphalt Mine, M/047/028, Duchesne County, Utah

Dear Mr. Nielsen:

The Division received your interim reclamation surety for the Duchesne County Asphalt Mine on March 18, 1998. The form is a surety bond # \_\_\_\_\_ with American Manufacturers Mutual Insurance Company for the amount of \$32,750 (photocopy enclosed). This surety has been posted as an interim measure to allow Duchesne County to continue with their current mining activities while the Division completes the processing of Duchesne County's Notice of Intention to Commence Large Mining Operations (LMO). A letter from Duchesne County dated February 18, 1998 and a documented February 25, 1998 phone conversation were the main sources of information considered by the Division. The interim surety was a measure proposed by the Associate Director of Mining during a conference call on March 2, 1998. The interim surety amount is based on \$2,500/acre for a total proposed 13.1 acres of surface disturbance. You agreed to look into and discuss this interim bonding provision with the county commissioners.

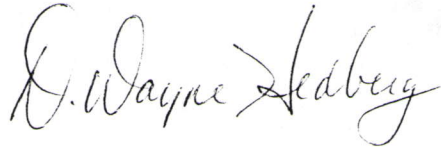
Given the extenuating circumstances surrounding Duchesne County's critical need to begin prestripping operations on portions of the land as outlined in their latest LMO permit application (received October 8, 1997) and the receipt of the interim reclamation bond, we will allow Duchesne County to begin the proposed operations as outlined in the latest application. The large mine plan application is currently under review by the Division. This surety will need to remain in place until the Division grants final approval of this LMO proposal.

The Division will continue to review the large mine operation application. We anticipate having our review comments to you by April 10, 1998 or sooner. If you have any questions

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regarding the interim surety or our review process please call me at (801) 538-5267. Thank you for your cooperation in reaching a mutually acceptable solution to this situation.

Sincerely,

A handwritten signature in cursive script, reading "D. Wayne Hedberg". The signature is written in dark ink and is positioned above the printed name and title.

D. Wayne Hedberg  
Permit Supervisor  
Minerals Reclamation Program

jb  
Enclosure: photocopy of interim surety bond  
cc: Gary Manville, American Manufacturers Mutual Ins. Co.  
Mary Ann Wright, Associate Director, DOGM  
o:\review\m47-28is.let

ATTACHMENT B

MR FORM 5

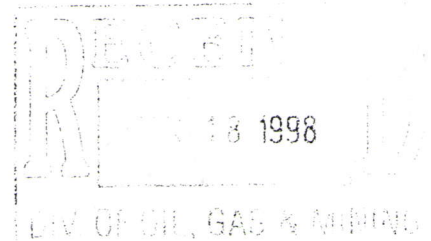
June 10, 1996

Bond Number \_\_\_\_\_

Permit Number M/047/028

Mine Name Duchesne County  
Asphalt Mine

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
Division of Oil, Gas and Mining  
1594 West North Temple Suite 1210  
PO Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
Fax: (801) 359-3940



THE MINED LAND RECLAMATION ACT

(INTERIM) SURETY BOND

\*\*\*\*\*

*(\*) Asterisked items are not applicable for an "interim" reclamation surety. These items will be completed upon final approval of the large mine permit.*

The undersigned Duchesne County, as Principal, and American Manufacturers Mutual Insurance Company, as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors, and assigns, jointly and severally, unto the State of Utah, Division of Oil, Gas and Mining (Division) in the penal sum of Thirty Two Thousand Seven Hundred Fifty & No/100 dollars (\$ 32,750.00).

Principal has estimated in the Mining and Reclamation Plan approved by the Division on the \* day of \*, 19 \*, that \* acres of land will be disturbed by mining operation in the State of Utah.

\*A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract, of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.



This bond may be canceled by Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

Duchesne County  
Principal (Permittee)

March 16, 1998  
Date

Larry S. Ross  
By (Name typed):

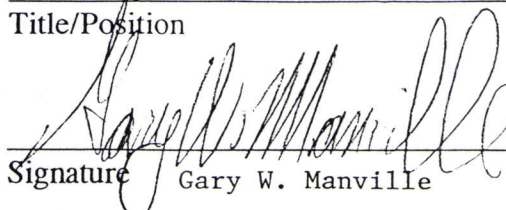
Chairman of the County Board of Commissioners  
Title

  
Signature

**Surety Company**

American Manufacturers Mutual Insurance March 16, 1998  
Company Officer Company Date

Attorney-in-Fact  
Title/Position

  
Signature Gary W. Manville

MAR-23-98 MON 05:36 PM D

OIL GAS MINING

FAX NO. 35838

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MR-5 (revised June 10, 1996)

Attachment B


Bond Number

Permit Number M/0471028

Mine Name Duchesne County  
Asphalt Mine

SO AGREED this 24th day of March, 1998

AND APPROVED AS TO FORM AND AMOUNT OF SURETY:

  
\_\_\_\_\_  
Dave D. Lauriski, Chairman  
Utah State Board of Oil, Gas and Mining

\*NOTE: Where one signs by virtue of Power of Attorney for a Surety, such Power of Attorney must be filed with this bond. If the Operator is a corporation, the bond shall be executed by its duly authorized officer.

## AFFIDAVIT OF QUALIFICATION

On the 16th day of March, 1998, personally appeared before me  
Gary W. Manville who being  
by me duly sworn did say that he/she, the said Gary W. Manville is the Attorney-in-Fact  
Attorney-in-Fact of American Manufacturers Mutual Insurance Company and duly  
acknowledged that said instrument was signed on behalf of said company by authority of its  
bylaws or a resolution of its board of directors and said  
Gary W. Manville duly acknowledged to me that said company  
executed the same, and that he/she is duly authorized to execute and deliver the foregoing  
obligations; that said Surety is authorized to execute the same and has complied in all  
respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking  
and obligations.

Signed: [Signature]  
Surety Officer

Title: Attorney-in-Fact

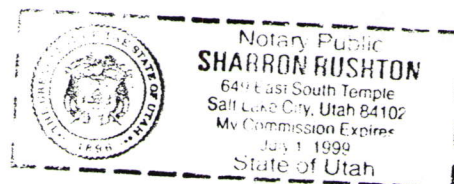
STATE OF Utah )  
 ) ss:  
COUNTY OF Salt Lake )

Subscribed and sworn to before me this 16th day of March, 1998.

[Signature]  
Notary Public Sharron Rushton  
Residing at: 649 E. So. Temple  
Salt Lake City, UT 84101

My Commission Expires:

7-1-99, 19    







Home Office: Long Grove, IL 60049

## POWER OF ATTORNEY

Know All Men By These Presents

That the Lumbermens Mutual Casualty Company, the American Motorists Insurance Company, and the American Manufacturers Mutual Insurance Company, corporations organized and existing under the laws of the State of Illinois, having their principal office in Long Grove, Illinois, (hereinafter collectively referred to as the "Company") do hereby appoint

William R. Moreton, Gary W. Manville, Jonathan M. Jepsen, Sharron Rushton, Philip S. Walter and Marilyn L. Allred of Salt Lake City, Utah (EACH)\*\*\*\*\*

their true and lawful agent(s) and attorney(s)-in-fact, to make, execute, seal, and deliver during the period beginning with the date of issuance of this power and ending on the date specified below, unless sooner revoked for and on its behalf as surety, and as their act and deed:

Any and all bonds and undertakings provided the amount of no one bond or undertaking exceeds ONE MILLION DOLLARS (\$1,000,000.00)\*\*\*\*\*

EXCEPTION: NO AUTHORITY is granted to make, execute, seal and deliver any bond or undertaking which guarantees the payment or collection of any promissory note, check, draft or letter of credit.

This authority does not permit the same obligation to be split into two or more bonds in order to bring each such bond within the dollar limit of authority as set forth herein.

This appointment may be revoked at any time by the Company.

The execution of such bonds and undertakings in pursuance of these presents shall be as binding upon the said Company as fully and amply to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal office in Long Grove, Illinois.

THIS APPOINTMENT SHALL CEASE AND TERMINATE WITHOUT NOTICE AS OF December 31, 2001

This Power of Attorney is executed by authority of resolutions adopted by the Executive Committees of the Boards of Directors of the Company on February 23, 1988 at Chicago, Illinois, true and accurate copies of which are hereinafter set forth and are hereby certified to by the undersigned Secretary as being in full force and effect:

"VOTED, That the Chairman of the Board, the President, or any Vice President, or their appointees designated in writing and filed with the Secretary, or the Secretary shall have the power and authority to appoint agents and attorneys-in-fact, and to authorize them to execute on behalf of the Company, and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings, obligatory in the nature thereof, and any such officers of the Company may appoint agents for acceptance of process."

This Power of Attorney is signed, sealed and certified by facsimile under and by authority of the following resolution adopted by the Executive Committee of the Boards of Directors of the Company at a meeting duly called and held on the 23rd day of February, 1988:

"VOTED, That the signature of the Chairman of the Board, the President, any Vice President, or their appointees designated in writing and filed with the Secretary, and the signature of the Secretary, the seal of the Company, and certifications by the Secretary, may be affixed by facsimile on any power of attorney or bond executed pursuant to resolution adopted by the Executive Committee of the Board of Directors on February 23, 1988 and any such power so executed, sealed and certified with respect to any bond or undertaking to which it is attached, shall continue to be valid and binding upon the Company."

In Testimony Whereof, the Company has caused this instrument to be signed and their corporate seals to be affixed by their authorized officers, this May 6, 1997.

Attested and Certified:

Lumbermens Mutual Casualty Company  
American Motorists Insurance Company  
American Manufacturers Mutual Insurance Company

Robert P. Hames, Secretary



by

J. S. Kemper, III, Exec. Vice President

ATTACHMENT "A"

<u>Duchesne County</u>	<u>Duchesne County Asphalt Mine</u>
Operator	Mine Name
<u>M/047/028</u>	<u>Uintah</u> County, Utah
Permit Number	

The legal description of lands to be disturbed is:

Portions of:

NW/4 of the NW/4 of Section 19  
Township 2 North, Range 1 East  
Uintah Special Base and Meridian  
Uintah County, Utah